



Personal Property Tax

Taxpayer Information

www.cityofboston.gov/assessing



Massachusetts General Laws Chapter 59 §29 requires that you return a true list of all taxable personal property located in the City of Boston (Form of List/State Tax Form 2) annually by March 1.

Thomas M. Menino
Mayor

Ronald W. Rakow
Commissioner

City of Boston
Assessing Department

Personal property is subject to taxation, in the same manner as real estate, unless expressly exempted by state law. Most personal property owned by individuals is exempt. Examples such as household effects at your primary domicile, tools of a mechanic's trade, farm implements, money, stocks, and securities are all exempt. However, property used by most businesses is subject to local property tax. Exemptions are applied based on the type of business ownership, nature of the property, or in some cities and towns, like Boston, total assessed value.

New for 2012: Online Filing of the Form of List/State Tax Form 2

Website: <https://assessppof.cityofboston.gov/BostonOnline/>

Beginning January 1, 2012, Boston business owners are encouraged to file their required personal property information online. A username and temporary password will be issued to all account holders, enabling filers to enter, review and edit data until ready to make the final submission. Filing in future years is simplified because asset information previously filed will carry over to the next year. Filers can simply update their information in subsequent years.

Property that is not real estate is personal property and must be reported.

All owners of tangible personal property must complete and file annually a Form-of-List/State Tax Form 2 with the assessor in the city in which the property is located. A form must be filed by all individuals, partnerships, associations, trusts, corporations, and limited liability companies, as well as charitable, benevolent, educational, literary, temperance, and scientific organizations, or other legal entities that own or hold personal property in the City of Boston.

Is my small business subject to the personal property tax?

Mayor Menino and the City Council adopted a "small business exemption" for personal property accounts of less than \$10,000 in assessed value. If you own a small business you still must file a Form of List/State Tax Form 2. If your assessed value is determined to be less than \$10,000 in any year you will receive a full exemption.

What is the correct form to file?

- Individuals, partnerships, associations, trusts, corporations, limited liability companies and other legal entities that own or hold taxable personal property on January 1 of each year must file a Form of List/State Tax Form 2.
- Individuals owning or holding household furnishings and effects not located at their domicile on January 1 must also file State Tax Form 2HF.
- Literary, temperance, benevolent, charitable or scientific organizations that may be entitled to an exemption from personal property tax must file State Tax Form 3ABC annually. First time filers must also file State Tax Form 1B3. Charitable or non-profit organizations that do not file these forms will be subject to taxation (M.G.L. Chapter 59 §5, Clause 3(b)).

NOTE: All tax forms filed with the Assessing Department are NOT open to public inspection.

For More Information

CALL: the Assessing Department
Personal Property Unit at
(617) 635-1165.

VISIT: the Personal Property Unit
Room 301, City Hall. Office hours
are Monday - Friday, 9AM - 5PM.

Email:
personalproperty@cityofboston.gov

LOG ON: for more information
and *Frequently Asked Questions* at
www.cityofboston.gov/assessing

The Massachusetts Department
of Revenue also has a *Frequently
Asked Questions* webpage for
personal property at www.mass.gov.
Search for 'personal property'.

Online Filing

[https://assessppof.cityofboston.gov/
BostonOnline/](https://assessppof.cityofboston.gov/BostonOnline/)

Simple. Accurate. Efficient.

What is personal property?

Personal property consists of any tangible assets owned by an individual, a business, or an organization which are not real estate and which are not permanently affixed to a particular building. It includes, but is not limited to:

- Office furniture & fixtures such as desks, chairs, file cabinets, lamps & artwork.
- Office equipment such as computers, printers, telephones & fax machines.
- Store fixtures and equipment such as shelving, tables, ovens & signs.
- Machinery & equipment of all kinds, including construction equipment.
- Stock in trade or merchandise.
- Leased property (should be reported by both the lessor and the lessee).

Are corporations exempt from the personal property tax?

Generally, the answer is no. Most corporations are subject to the personal property tax on machinery used in the conduct of business as well as on networks of poles, underground conduits, wires and pipes and machinery used in manufacturing or supplying and distributing water.

Corporations classified by the Massachusetts Department of Revenue (DOR) as manufacturers, utilities, or insurance and financial institutions may be entitled to additional specific exemptions. For further information, please refer to "Frequently Asked Questions - Personal Property" on the DOR's website at www.mass.gov.

Is a nonprofit organization subject to the personal property tax?

Not usually, however, nonprofits wishing to receive exemption as a charitable, literary or benevolent organization must file a form called the 1B3 with the City Assessor. Once designated a charitable organization by the Assessor, the nonprofit must file a Form 3ABC by March 1 of every year in order to continue the exemption.

What other exemptions are available on personal property?

- Professional tools used by plumbers, carpenters, auto mechanics and other trades are exempt.
- Property taxed under the corporate excise tax or motor vehicle excise tax, boat excise tax, farm animal excise tax, or mobile home park license fees, cannot be taxed as business personal property.
- Intangible personal property is exempt from local taxation in Massachusetts.
- In the City of Boston, small business accounts with a total assessed value of less than \$10,000 are granted an exemption, the maximum allowed by law.
- For corporations, machinery used directly in the purchasing, selling or administrative function, such as cash registers, are exempt.
- Corporate-owned computers are exempt only when used exclusively for internal purposes such as processing payroll or ordering office supplies. Computers used in providing a service to clients are taxable.
- Machinery of corporations used in connection with the laundering or dry cleaning process, the refrigeration of goods, or air conditioning of the premises, is exempt.
- Fishing boats, nets & gear – up to \$10,000 in value – owned and used in a commercial fishing business are exempt.

What if I do not file a Form of List/State Tax Form 2?

Failure to file a Form of List/State Tax Form 2 will result in an estimated assessment of your personal property. It could also result in a 50% penalty on any abatement you might otherwise be entitled to, as well as the loss of the right to appeal your valuation to the Appellate Tax Board.